

MARKET SWINE GROWER AGREEMENT

Grower: _____
 Address: _____

County: _____
 Tax Identification Number: _____
 Telephone Number: _____

For good and valuable consideration, Pork Plus, Inc. ("Corporation") and Grower hereby enter into this Market Swine Grower Agreement ("Agreement") as of _____, 19____ and hereby agree upon the following terms by which Grower, as an independent contractor, shall raise feeder pigs owned by Corporation in finishing houses:

1. Term. The initial term of this Agreement shall commence upon Corporation's delivery to Grower of the initial feeder pigs to be raised hereunder and shall continue and exist thereafter through and including _____, 20____, unless earlier terminated as provided in Paragraph 7 herein.

2. Renewal. Upon expiration of the initial term and any renewal term(s) hereof, this Agreement automatically shall renew for successive one year intervals unless either Corporation or Grower has given written notice to the other party at least thirty (30) days prior to the renewal date of such party's election to terminate this Agreement or unless this Agreement otherwise has been terminated prior to such renewal date pursuant to the provisions of Paragraph 7 hereof.

3. Duties of Corporation. During the term of this Agreement, Corporation shall perform the following duties:

(a) Feeder Pigs. Corporation shall provide to the Grower specified above feeder pigs to be raised in finishing houses pursuant to this Agreement. The number, weight, grade, and type of feeder pigs to be provided by Corporation hereunder shall be determined by Corporation in its sole discretion. All feeder pigs provided to Grower shall be the sole and absolute property of Corporation.

(b) Management Procedures. Corporation from time to time and in its sole discretion shall establish and provide to the Grower management and production standards and procedures (hereinafter referred to collectively as "Corporation's Procedures") that shall govern the care and maintenance by Grower of the pigs pursuant hereto. An employee of Corporation (herein referred to as "Corporation's Serviceperson") further shall review Grower's operations on a regular basis and advise Grower with regard to management procedures.

(c) Feed and Supplies. Corporation shall select and provide to Grower all feed, medicines, disinfectants, and veterinary care that Corporation deems necessary to be utilized by

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Grower in connection with the care and maintenance of the pigs hereunder. The type and quantity of all such items shall be determined by Corporation in its sole discretion.

(d) Market Transport. Corporation shall remove from the location or locations where Grower is growing feeder pigs hereunder (hereinafter referred to as the "Premises") all hogs which Corporation, in its sole discretion, determines to be of marketable size. Corporation shall be responsible for transporting all market hogs hereunder to market. Grower shall cooperate fully with necessary on-Premises assistance, such as insuring loading pen and chute to be in good order.

(e) Record-Keeping. Corporation may maintain such records as Corporation, in its sole discretion, deems necessary. In the event of any conflict between records or computations of Corporation and records and computations that may be maintained or performed by Grower, Corporation's records and computations shall govern and be binding on the parties hereto.

(f) Compensation. Corporation shall pay Grower four cents (\$.04) per pound of weight gain on all hogs. In addition, a livability bonus will be paid for each hog marketed according to the schedule set forth on Exhibit "A" attached hereto and hereby incorporated herein by reference.

4. Duties of Grower. During the term of this Agreement, Grower shall perform the following duties:

(a) Acceptance. Grower shall accept from Corporation feeder pigs and shall raise such pigs for Corporation pursuant to the terms and conditions of this Agreement.

(b) Management Procedures. Grower shall feed, medicate, water, and otherwise care for, maintain, and finish the feeder pigs hereunder strictly in accordance with Corporation's Procedures. Grower further shall follow the recommendations of Corporation's Serviceperson concerning all phases of management of the pigs. Grower shall conduct a daily check to observe the health of the feeder pigs and to determine that waterers are functioning properly and that feeders are properly regulated. Grower shall notify Corporation's Serviceperson at the first signs of sickness or unusual conditions and follow the directions of Corporation's Serviceperson in connection with the use of medications or treatment. Grower shall provide all necessary security devices to insure the safety of the feeder pigs, including without limitation the provision of a locked security gate and locks on finishing house doors.

(c) Facilities. Grower shall provide in accordance with Corporation's Procedures and the specifications of Corporation and/or Corporation's Serviceperson, all equipment, buildings, space, labor, and facilities necessary to properly care for and raise the feeder pigs in fulfillment of its obligations hereunder. Grower shall maintain all necessary equipment, buildings, space, labor, and facilities hereunder in accordance with Corporation's Procedures. Without limiting the foregoing, Grower shall update any facility, which Corporation in its sole discretion shall deem necessary for the continued operation hereunder at a profitable level for both Grower and Corporation.

(d) Use of Premises. Grower shall not permit any swine (other than the feeder pigs being raised by Grower hereunder) to be located on the Premises or within 500 feet of any finishing house used by Grower for the purposes contemplated herein for any length of time or for any reason whatsoever without the prior written consent of Corporation. Further, neither

Grower nor any employee, agent, or servant of Grower shall associate in any manner with any other swine (other than the feeder pigs being raised by Grower hereunder). Grower shall keep the Premises clean, shall keep the grass around each finishing house mowed, shall keep all animals (other than the feeder pigs hereunder) out of the finishing houses hereunder, and shall follow adequate rodent and insect control measures.

(e) Expenses. Grower shall assume and bear any and all costs and expenses, including without limitation capital costs and expenses, associated with maintaining the pigs and otherwise performing fully the contract obligations hereunder.

(f) Road and Driveways. Grower shall develop and maintain an "all weather road" connecting the public road from which Corporation's vehicles will approach the Premises with that area or portion of the Premises to which feed, supplies, and feeder pigs are to be delivered and from which hogs are to be removed for transport to market. Grower further shall develop and maintain an "all weather" driveway to and in front of each finishing house utilized by Grower. Grower shall indemnify and hold harmless Corporation from and against any and all loss, cost, or damage of any kind in any way arising in connection with Corporation's use of such road and/or driveways, which loss, cost, or damage shall include but shall not be limited to damages to vehicles of Corporation and wrecker fees.

(g) Record-Keeping. Grower shall implement and maintain records of its operations such as temperature and mortality) hereunder in accordance with Corporation's Procedures and at all times shall perform as directed by Corporation. Grower shall permit Corporation to inspect at any reasonable time the records kept by Grower pertaining to the performance of Grower hereunder, which records shall be the property of Corporation and shall be delivered to Corporation upon Corporation's request. In the event of any conflict between the records or computations of Corporation and the records or computations of Grower, Corporation's records and computations shall govern and be binding upon the parties hereto.

(h) Best Efforts. Grower shall use its best efforts to top out marketable hogs from the feeder pigs supplied by Corporation in accordance with the terms and conditions hereof.

(i) Indemnification. Grower shall indemnify, protect, and hold harmless Corporation, its employees, agents, servants, successors and assigns from and against all losses, damages, injuries, claims, demands and expenses, including without limitation legal expenses of whatever nature, arising out of or in connection with Grower's raising of feeder pigs pursuant to this Agreement.

Grower shall assume the settlement of, and the defense of a try suit or suits or other legal proceedings brought to enforce all such losses, damages, injuries, claims, demands and expenses, and shall pay all judgements entered in any such suit or suits or other legal proceedings. If any matter subject to indemnification hereunder arises in the form of a claim against Corporation or any of its employees, agents, servants, successors and assigns or any of them (herein referred to as a "Third Party Claim"), the party seeking indemnification promptly shall give notice and details thereof, including copies of all pleadings and pertinent documents, to Grower. Within fifteen (15) days of such notice, Grower either (a) shall pay the Third Party Claim in full or upon agreed compromise, or (b) shall notify Corporation that Grower disputes the Third Party Claim and intends to defend against it, and thereafter shall so defend and pay any adverse final judgement or award in regard thereto. Such defense shall be controlled by Grower and the cost of such defense shall be borne by Grower except that Corporation shall

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have the right to participate in such defense at its own expense and provided that Grower shall have no right in connection with any such defense or the resolution of any such Third Party Claim to impose any cost, restriction, limitation, or condition of any kind upon Corporation or any of its employees, agents, servants, successors and assigns or any of them. Corporation agrees to cooperate in all reasonable respects in the defense of any such Third Party Claim.

If Grower fails to take action within fifteen (15) days as hereinabove provided or, having taken such action, thereafter fails diligently to defend and resolve the Third Party Claim, then Corporation shall have the right to pay, compromise or defend the Third Party Claim and to assert the indemnification provisions hereof. Corporation also shall have the right, exercisable in good faith, to take such action as may be necessary to avoid a default prior to the assumption of the defense of the Third Party Claim by Grower.

The indemnity and assumption of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the termination of this Agreement for any reason.

(j) Use of Supplies. Grower shall use the feed, medication and any other materials or supplies furnished by Corporation hereunder only for the purpose of raising feeder pigs for Corporation hereunder. Grower shall manage all such supplies to prevent waste.

(k) Waste Management Plan. Grower properly shall dispose of all dead swine (and swine waste) in compliance with all federal, state, and local laws, rules, regulations, and orders.

(l) Status. During the term of this Agreement, unless Grower is an individual, Grower shall maintain its status as a family farm corporation or a family farm limited partnership under the laws of the State of Iowa.

5. Review of Operations. Grower shall permit Corporation at any time to enter onto and inspect the Premises, including but not limited to (a) all equipment, facilities, and areas utilized by Grower in connection with Grower's performance hereunder and (b) the pigs maintained and cared for pursuant hereto, for purposes of determining whether the operations of the Grower are being conducted in accordance with the terms of his Agreement and Corporation's Procedures.

6. Proprietary Rights. Corporation is and shall remain the sole and exclusive owner of all feeder pigs raised by Grower pursuant hereto, and all medicines, feed, supplies, records, and any and all other items furnished by or through Corporation pursuant hereto.

Grower recognizes and agrees that Corporation possesses the exclusive proprietary right to all aspects of Corporation's Procedures furnished to Grower by Corporation from time to time in connection with Grower's performance hereunder, and that unauthorized disclosure by Grower or its agents, servants or employees of any aspect of Corporation's Procedures will result in irrevocable harm to Corporation. Grower, its agents, servants and employees shall not at any time during the term of this Agreement or at any time thereafter (a) use or attempt to use Corporation's Procedures in any manner except in connection with Grower's performance hereunder or (b) in any manner disclose, reveal or sell any portion of Corporation's Procedures. Grower shall disclose Corporation's Procedures only to such of Grower's agents, servants and employees who need to know such information in order to carry out the terms of this Agreement. Grower shall be responsible for the breach of this confidentiality and

nondisclosure obligation by its agents, servants and employees. Grower acknowledges and agrees that Corporation shall be entitled, in addition to any other right or remedies it may have at law or in equity, to an injunction enjoining and restraining Grower, its agents, servants and/or employees, from doing or continuing to do any act in violation of any of the covenants contained herein and any other violation or threatened violation hereof. In the event Corporation shall institute any action or proceeding to enforce the provisions hereof, Grower, its agents, servants and employees hereby waive the claim or defense that such remedy at law exists; however, nothing herein shall be construed as prohibiting Corporation from pursuing any other remedies available to it, in addition to injunctive relief, whether at law or in equity, including without limitation the recovery of damages.

7. Default and Termination. The parties agree that Corporation, at its election, immediately and without prior notice (except in connection with subparagraph (e)) and without prejudice to any of its other remedies at law or in equity, may terminate this Agreement upon the occurrence of any of the following events:

- (a) The existence of swine (other than the feeder pigs supplied by Corporation) on the Premises or within 500 feet of any finishing house used by Grower;
- (b) The use by Grower of any materials supplied by Corporation for any purpose other than the care and maintenance of the feeder pigs supplied by Corporation, or the use by Grower of the feeder pigs for any purpose other than production solely for the benefit of Corporation;
- (c) Intentional falsification by Grower of any records maintained by Grower hereunder;
- (d) The occurrence of any emergency situation, which Corporation determines, requires immediate action for the protection of the pigs or either of the parties hereto;
- (e) Failure of Grower to conform with any other term or condition hereof, specifically including but not limited to Corporation's Procedures (including best management practices for waste management), after Corporation has notified Grower of such nonconformity and provided Grower with an opportunity to correct such nonconformity for ten (10) days following such notice.

In the event of termination of this Agreement for any reason, Corporation shall have the right to enter onto the Premises and remove any and all property in which Corporation has any ownership interest or rights, including without limitation all feeder pigs or market hogs, medicines, supplies, equipment, and records. Grower shall cooperate with Corporation in this regard and shall supply any and all personnel necessary to assist Corporation in safely loading and transporting said swine and supplies.

In the event that Corporation determines, in its sole discretion, that Grower is not providing proper care, correct feeding or environment, or adequate facilities or otherwise is not complying with the terms of this Agreement or Corporation's Procedures, Corporation shall have the right, at its sole option and in its sole discretion, to provide the proper care, feeding, treatment, and maintenance of the pigs on the Premises and further shall have the right to charge Grower with all expenses incurred by Corporation in connection with Grower's failure to perform said duties.

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8. No Warranty. CORPORATION MAKES NO WARRANTIES REGARDING THE CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE FEEDER PIGS SUPPLIED BY CORPORATION OR THE FEED, MEDICINE, EQUIPMENT, AND OTHER SUPPLIES PROVIDED BY CORPORATION HEREUNDER, AND GROWER ACCEPTS ALL SUCH GOODS "AS IS."

9. General Provisions:

(a) Governing Law. The parties hereto agree that without regard to the principles of conflicts of laws, the internal laws of the State of Iowa shall govern and control the validity, interpretation, performance, and enforcement of this Agreement.

(b) Notice. Any notice required or permitted hereunder shall be in writing and shall be deemed to have been duly given if delivered in person or mailed by registered or certified mail, postage prepaid, with return receipt requested to the party to be notified at the address for such party set forth on page 1 of this Agreement, or to such other address as may be supplied by such party in accordance with this paragraph.

(c) Partial Invalidity. In the event that any of the terms, provisions, or covenants herein, or the application thereof to any circumstance or situation, shall be invalid or unenforceable, in whole or in part, the remainder of this Agreement and the application of said term, provision, or covenant to any other circumstance or situation shall not be affected thereby, and each term, provision, or covenant shall be valid and enforceable to the full extent permitted by law.

(d) Independent Contractor. Grower is an independent contractor and nothing in this Agreement shall have the effect of making Grower or any of its agents, servants, or employees an agent, servant, employee, or partner of Corporation, and Grower, its agents, servants, and employees shall not hold themselves out as such to any third party.

(e) Entire Agreement. This Agreement, together with any and all Exhibits and/or Schedules attached hereto, represents the entire agreement between Corporation and Grower with respect to the subject matter hereof and supersedes all prior oral or written understandings or agreements. This Agreement may be amended or modified only by a written instrument signed by both Corporation and Grower.

(f) Grower's Representation. Unless Grower is an individual, Grower hereby represents and warrants to Corporation that Grower currently qualifies, and at all times during the term of this Agreement shall qualify, as a family farm corporation or a family farm limited partnership under the laws of the State of Iowa.